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Design for Development

**Northeastern Ontario
Regional Strategy**

**A Proposed Strategy
March 1976**

**The Honourable
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Treasurer of Ontario**

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Northeastern Ontario Regional Strategy



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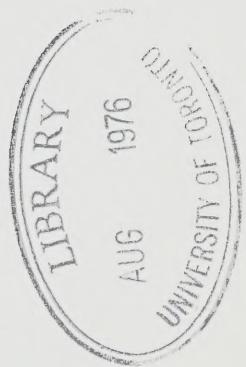
Ministry of Treasury, Economics
and Intergovernmental Affairs

Regional Planning Branch

DESIGN FOR DEVELOPMENT

NORTHEASTERN ONTARIO:
A PROPOSED PLANNING
AND DEVELOPMENT STRATEGY

March, 1976



PREFACE

This report provides a concise overview of the problems and challenges facing the Northeastern Ontario Planning Region and the necessary regional strategy needed to alleviate the problems and meet the challenges. The information in the document is based on detailed studies of specific economic and social sectors and a comprehensive statistical appendix. This appendix will be of interest to people seeking more detailed information.

It should be emphasized that this document is not confirmed provincial government policy. It is a draft proposal for action in Northeastern Ontario. It will remain so until the general public, municipal representatives, and business interests, as well as agencies and ministries of the government, have an opportunity to examine and suggest possible modifications. It should also be emphasized that this document takes a long term view of the development of the Northeast. Many of the proposals should be considered in this light, and it is to be expected that some will not be implemented for many years to come.

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We would also like to acknowledge the assistance of the elected representatives from the Northeastern Region. The input of the Municipal Advisory Committee, and specifically the document "Goals for Northeastern Ontario," have been valuable in the formulation of this strategy.

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SUMMARY

A. INTRODUCTION

The Northeastern Ontario Planning Region consists of the Districts of Parry Sound, Nipissing, Sudbury, Timiskaming, Manitoulin, Algoma, Cochrane, and the Hudson Bay Lowlands portion of the District of Kenora. Under the "Design for Development" program, the government conducted a comprehensive study of this region. From the information gathered, certain problems, needs, and goals were identified. This investigation, Design for Development: Northeastern Ontario, Phase I, was released in 1971. Following a lengthy government and citizen review of the Phase I document, a detailed analysis of the various social and economic sectors of the region was undertaken. A regional strategy is now proposed, representing another stage in provincial planning for Northeastern Ontario. This strategy is based on the analysis noted above and a review of the Phase I material; it incorporates new development and extensive research since Phase I was prepared.

This planning strategy establishes guidelines to encourage the orderly social and economic development of the area to the mutual satisfaction of the people and the government. It provides a general framework for future government and private decision-making.

The strategy should not be viewed primarily as a package of new programs but rather as a guide to more effective management of future provincial expenditures in the Northeast, in order to achieve definite objectives beneficial to the people of the region and the province. A thorough attempt has been made to identify the future needs of the people and to suggest courses of action not only by government but by private enterprise. It would be misleading to suggest that adoption of the recommendations in this

proposed development strategy would not lead to an increase in provincial expenditures in the region, but while in some areas expenditures would rise, in other areas they should be reduced. The net effect should be more effective use of government funds.

B. GENERAL GUIDELINES

In the formulation of the strategy, the following fundamental guidelines were observed:

- (1) That the people of the Northeast should have adequate access to the region's social and economic opportunities;
- (2) That private enterprise has a vital role to play in the development of the Northeast;
- (3) That regional resource policies, while encouraging development of natural resources, should be consistent with environmental constraints;
- (4) That the expenditures of all levels of government should be planned and coordinated for the benefit of all residents in the region;
- (5) That the planning process should be a partnership between the people of the region, its municipalities, and the Government of Ontario.

C. OBJECTIVES

The development strategy consists of three parts: an economic strategy, a social strategy, and a spatial strategy. The last is further divided into an urban system strategy and a resource base strategy.

The general purpose of the economic strategy is to promote economic development in Northeastern Ontario in a way that ensures benefits accrue primarily to the people of the region, makes optimum use of the potentials of the region, and respects the environmental and cultural attitudes of the region. This goal embraces five economic objectives. They are:

- (1) Greater stability of production, employment, and earnings;
- (2) Increased diversity of occupational opportunities;
- (3) Improved productivity and earnings;
- (4) Growth of employment opportunities and population;
- (5) The maintenance of a good quality environment.

The over-all objectives of the social strategy for Northeastern Ontario are:

- (1) To tailor the social service delivery system to particular needs in the region;
- (2) To optimize the use of health resources manpower;
- (3) To minimize the costs and effects of distance.

The spatial strategy consists of two components, the urban system strategy and the resource base strategy. The urban system strategy is based on the following objectives:

- (1) More efficient use of existing infrastructure and services;
- (2) An equitable distribution of economic and social opportunities;
- (3) A rational location for additional development.

The resource base strategy has the following objectives:

- (1) Optimal use of mineral, forest, recreation, agricultural, fish, and wildlife resources;
- (2) Maintenance and enhancement of environmental quality.

The key recommendations proposed under each of these interrelated strategies are presented below.

D. SUMMARY OF RECOMMENDATIONS

1. ECONOMIC STRATEGY

a. Mining Sector

1. *Exploration efforts, particularly in the form of integrated geoscience investigations, should be intensified in declining mining areas.*
2. *Consolidation of mineral rights should be undertaken in areas where this will promote the exploration and exploitation of promising deposits.*
3. *The government should encourage research into alternate technologies that would make economic processing in the Northeast possible.*
4. *All exploration and development information, both government and private, should be placed on open file within five years of its performance, except in special cases.*
5. *To increase benefits from the mineral resources of the region, further treatment and refinement of ores domestically should be required (with limited exceptions), and processing within Northeastern Ontario should be promoted by continued use of financial incentives.*

b. Forestry Sector

6. A wood allocation system should be evolved to better guarantee a continuing wood supply to the various sizes and types of operations.
7. To make more economical use of the wood supply, a wood allocation system should be evolved that will provide better utilization of wood fibre in both harvesting and end-products.
8. The province should review its present levels of expenditure on forest protection, regeneration, and management.

c. Tourism Sector

9. The feasibility of encouraging four-season tourist facilities should be investigated further.
10. Areas identified as having significant tourism opportunities should be publicized and receive higher priority than others for development assistance.
11. Promotion should be upgraded, with particular emphasis on package tours.

d. Manufacturing and Other Business Sectors

12. The mandate of the Northern Ontario Development Corporation (NODC) should be examined with a view to strengthening its role in implementing the regional strategy, particularly as it relates to small business:
 - The NODC should specifically encourage local

entrepreneurship;

- *The NODC should consider providing funds to the service sectors, which are not currently eligible under its programs;*
- *Additional NODC offices should be established, in Sault Ste. Marie and North Bay;*
- *NODC assistance for municipal industrial park development should reflect the economic and spatial strategies outlined in this document.*

13. The private sector should be encouraged to organize special investment funds to provide venture and development financing for local businesses in the region.

d. Transportation Sector

14. The province, in cooperation with the federal government, should review trucking and rail freight rates and arrangements affecting the region and Northern Ontario generally.

2. SOCIAL STRATEGY

a. Housing

15. The establishment of regional or community-based housing management groups, representing participating senior and local government agencies, and the community and client group, should be considered in the administration of the delivery of housing programs in the region.

16. Further local community initiatives in housing should be encouraged, with particular emphasis on assistance to individuals and community groups --namely, co-operative, non-profit, voluntary, or self-help housing groups. This should be

accompanied by a trades skill development program.

17. The province should initiate joint provincial-municipal subregional planning in the areas surrounding the region's four major urban centres, and in other areas where necessary.
18. The province should initiate the development of policy guidelines for housing investment in small, unorganized, and declining settlements in the region.
19. The province should initiate the development of policy guidelines for public and private investment in resource housing in single-industry communities.

b. Health

20. District Health Councils in Northeastern Ontario, in co-operation with the province, should develop plans for a comprehensive system of health services for the region. The services should be capable of responding to the particular needs of the region, taking into account factors such as population age structure, population density and distribution, and illness patterns.
The system should be designed to encompass the spectrum of services for the ambulatory and the bed patient and include services for the promotion of good health, the prevention of disease and disability, and treatment and rehabilitation.
21. Plans for the health services system for Northeastern Ontario should define the types and levels of services to be provided at the local service centres, the area service centres, and the sub-regional centres in the region, so that the most appropriate use can be made of the resources available.

District Health Councils and the province should develop arrangements for the coordination of primary and secondary care services throughout the region. Through provincial initiatives, primary care should be strengthened to provide a focus for care in small and remote communities throughout the region, and effective linkages should be established between outlying areas and urban centres to ensure continuing and comprehensive care for the individual patient.

22. Health practitioners of the various types should be encouraged to locate where they will complement and support the pattern of distribution of services. The province, District Health Councils, and professional organizations should develop initiatives to encourage those health practitioners who are in short supply to locate in the region.

23. A broad and comprehensive program should be developed to deal with the wide range of social, economic, educational, and health needs of native peoples. The federal and provincial governments, as well as the native peoples, should be involved, and among the issues considered should be the question of the jurisdiction of each level of government in the health of the native peoples.

c. Education

24. The province should continue the development of community-based education through broad community representation and through retention of existing schools.

25. The province should continue to develop educational programs in response to the unique instructional needs found throughout the region.

26. The province should continue to promote, at all educational levels, the development of knowledge and career skills applicable to the Northeast.

27. The province, in conjunction with post-secondary institutions in the region, should continue to develop educational extension programming.

3. Spatial Strategy

a. The Urban System Strategy

28. New urban development should be concentrated as much as possible within organized municipalities, and should be consistent with environmental constraints.

29. Government attention and assistance to the economic growth of urban centres should be selective and based on priorities.

30. Initially, priority in terms of providing additional economic development assistance should go to the four subregional centres:

North Bay
Sault Ste. Marie
Sudbury
Timmins.

31. The provision of additional economic development assistance to the region's area service centres should be of a somewhat lower priority. However, this does not imply that assistance normally provided to these municipalities under general programs will be affected. The area service

centres are:

Kapuskasing

Kirkland Lake

Moosonee

Parry Sound

Tri-Town (Cobalt, Haileybury, New Liskeard).

32. Third priority for economic development assistance should be given to local service centres. Again, this does not imply that assistance normally provided to these municipalities under general programs will be affected. The ten centres identified in this category are:

Elliot Lake

Espanola

Blind River

Chapleau

Wawa

Little Current

Hearst

Sturgeon Falls

Cochrane

Iroquois Falls.

33. In general, the same order of priorities--sub-regional centres, followed by area service centres and finally local service centres--should be used to structure the provision of provincial government services in the region.

34. Municipalities should assume greater initiative and responsibility for their growth.

b. Resource Base Strategy

35. Comprehensive water and land use planning in the region should continue to be pursued by the province in cooperation with the municipalities concerned.

36. Efforts to prevent and remedy environmental pollution and degradation should be continued and intensified.

I. INTRODUCTION

A major responsibility of the provincial government is to enhance the quality of life available to people throughout the province. In keeping with this responsibility, the government helps each region in the province to develop its full social and economic potential.

The "Design for Development" program, introduced by the government in 1966, is intended to assist in achieving these objectives. Recognizing that differences in social and economic circumstances continue to exist in different parts of the province, the government prepares development strategies for each of the major planning regions. These strategies are intended to reduce disparities and to achieve the full development of both human and natural resources.

The Northeastern Ontario Planning Region consists of the Hudson Bay Lowlands portion of the District of Kenora, and the Districts of Cochrane, Timiskaming, Algoma, Sudbury, Nipissing, Manitoulin, and Parry Sound (see Map 1). Northeastern Ontario covers approximately 42% of the land area of the province, but contains only 7.6% of its population.

Under the "Design for Development" program, the government conducted a comprehensive study of Northeastern Ontario. The results of the study were released in 1971 in a report entitled Design for Development: Northeastern Ontario, Phase I. Following a lengthy government and citizen review of this document, a detailed analysis of various social and economic sectors of the region was undertaken. Based on the review of the Phase I material, and incorporating subsequent developments and additional research since Phase I, a regional strategy is now proposed.

This strategy proposes policy objectives for development of the Northeastern Ontario Planning Region and recommends a number of guidelines and steps to achieve the objectives.

During the last few decades the Northeast has experienced economic and social growth below the expectations of the region's residents and the provincial government. This is evidenced by a number of problems: economic instability, lack of employment opportunities, unplanned settlement patterns, higher living costs, and some shortcomings in the level of social services. On the other hand, the region possesses significant economic potential: mineral and forest resources, recreation and tourist opportunities, agricultural land, and, to a lesser extent, under-employed human resources. These problems and challenges are described in detail in Section II of this document.

Identifying and understanding the problems and potentials is a first step. The second, described in Section III, is to project recent trends, growth rates, potentials, and current government programs to envisage the future state of the region by the year 2001. It demonstrates generally that, if current trends continue, little progress will be made towards solution of some of the basic regional problems. As an alternative future state for the region, a goals scenario is described in Section IV.

The most important section in this report is probably Section V. It proposes a regional strategy that may serve as a framework for guiding development in the region in achieving the major goals. It has three components:

- Economic Strategy
- Social Strategy
- Spatial Strategy.

The regional strategy should not be viewed as merely a package of additional programs, but as a guide towards more effective management of government expenditures in the region. Implementation of the strategy is discussed in Section VI of the document.

The strategy has been prepared with the following fundamental principles in mind:

1. That the people of the Northeast should have adequate access to the region's economic and social opportunities;
2. That private enterprise has a vital role to play in the development of the Northeast;
3. That regional resource policies, while encouraging development of natural resources, must be consistent with environmental constraints;
4. That the expenditures of all levels of government should be planned and coordinated to the benefit of all residents of the region;
5. That the planning process should be a partnership between the people of the region, its municipalities, and the Government of Ontario.

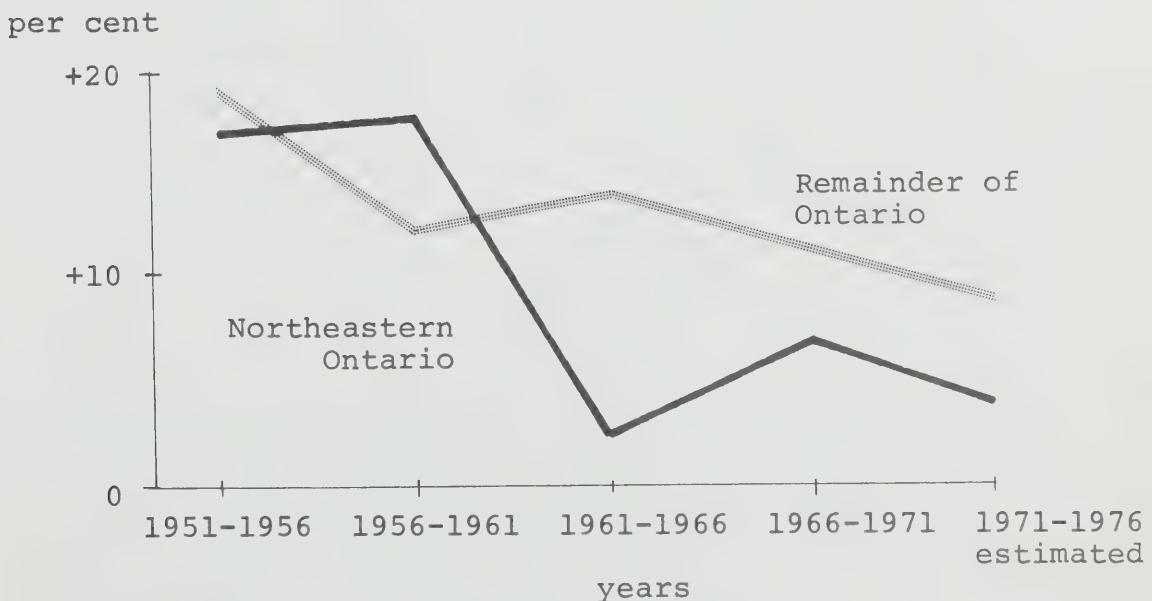
The success of the regional strategy depends upon the full participation of residents in the region and their government representatives. They are strongly urged to become involved in reviewing and refining this strategy.

II. DEVELOPMENT CONDITIONS AND ISSUES IN NORTHEASTERN ONTARIO

A. Population Changes

From 1951 to 1975, the total population of Ontario has grown from 4.6 to about 8.2 million. During this same period, the total population of Northeastern Ontario has grown from 0.4 to about 0.6 million. As Diagram 1 below illustrates, since the 1950's both Northeastern Ontario and the remainder of Ontario have experienced a general slowing down in their rates of population growth. This is attributable to declining birth rates and decreasing net gains in migration. In fact, parts of Northeastern Ontario have experienced net losses in migration. The region's rate of population growth, consequently, has fallen below that for the remainder of the province.

DIAGRAM 1 POPULATION GROWTH RATES



Northeastern Ontario's slow growth in total population since the 1950's has not occurred evenly from place to place, nor steadily from year to year. Some places have shown large increases, while others have shown actual decreases in population. Sometimes these changes have been gradual and at other times sudden. Table 1 indicates these wide differences in population change within the region.

TABLE 1 POPULATION CHANGES BETWEEN 1961, 1966, AND 1971
IN NORTHEASTERN ONTARIO AND THE REMAINDER OF ONTARIO

	1961 POPULATION	1966 POPULATION	1971 POPULATION	% CHANGE 1966/1961	% CHANGE 1971/1966
Sudbury Regional Municipality	137,145	147,232	168,483	7.4	14.4
Rest of Sudbury District	28,717	26,870	29,596	-6.4	10.1
Sault Ste. Marie City	64,963	74,594	80,332	14.8	7.7
Rest of Algoma District	45,890	38,523	41,605	-16.1	8.0
North Bay City	40,892	45,076	49,187	10.2	9.1
Rest of Nipissing District	29,676	28,457	29,680	-4.1	4.3
Timmins City	43,791	43,795	42,966	-	-1.9
Rest of Cochrane District	51,875	53,539	52,870	3.2	-1.2
Timiskaming District	50,971	47,154	46,485	-7.5	-1.4
Parry Sound District	29,632	28,335	30,244	-4.4	6.7
Manitoulin District	11,176	10,544	10,931	-5.7	3.7
TOTAL NORTHEASTERN ONTARIO	535,283	544,563	582,379	1.7	6.9
REMAINDER OF ONTARIO	5,700,809	6,416,307	7,120,727	12.6	11.0

SOURCE: Statistics Canada, Census of Canada, Historical Population. Adjustments to reflect boundary changes in Sudbury R.M., Sault Ste. Marie, North Bay and Timmins made by Regional Planning Branch, Ontario Ministry of Treasury, Economics and Intergovernmental Affairs, 1975.

The largest cities, Sudbury, Sault Ste. Marie, and North Bay, have experienced steady growth in population. Even their growth rates, however, have been generally somewhat below that for the remainder of the province as a whole. Their comparatively strong growth within the region is due mainly to their better living conditions and better employment, business, and industrial opportunities. They have attracted people from rural areas and smaller communities of the region, as well as people from outside. The influx of people, business, and industry, however, is not without its challenges. It requires carefully planned expansion of water, sewer, road, and other services, and orderly development of the existing urban area and the surrounding landscape. Otherwise, congestion and conflicts inevitably occur.

Timmins, unlike the other cities noted above, has heretofore experienced little change in population, but is now on the verge of rapid growth. Like many other communities of the region, it has been affected by sudden and substantial developments in the mining or forest industries. The accommodation of large numbers of additional people in a relatively short time creates its own problems.

In some parts of the region the population has been declining. The closing of mines, the mechanization of bush work, the loss of farm population, and living conditions are the main reasons for this. Out-migration tends to create problems both for those leaving and for those left behind. Out-migration breaks ties with families, relatives, friends, and home towns. Often those leaving are

the young seeking higher education or the better skilled seeking more rewarding jobs elsewhere. Those remaining must also bear larger shares of property taxes and other expenses to support local services.

The failure of some parts of Northeastern Ontario to hold their share of the population or to attract newcomers reflects the generally lower level of satisfaction and opportunity offered in these areas compared to that in other parts of the region, or in other parts of Ontario and Canada.

B. Employment

1. Job Opportunities

a. Over all, the number of new opportunities has grown more slowly in Northeastern Ontario than in the rest of Ontario. Between 1961 and 1971, total regional employment increased by just over 20%, little more than half the rate of 38% for the rest of the province. This slow growth in the number of jobs has led to relatively high employment rates in the region as a whole and to a steady stream of people leaving the region in search of jobs elsewhere. The groups most affected have been women and young people.

In 1971, only 37% of working-aged women in Northeastern Ontario had jobs or were looking for work, as compared to 44% for the rest of Ontario. Of the women in the labour force in Northeast, 10.2% were unemployed. By comparison, only 6.8% of men in Northeastern Ontario were unemployed.

The lack of job opportunities for young people has left large numbers unemployed and prompted many to leave the region. In 1971, 17.2% of 15-24-year-olds in the labour force were unemployed. This is in contrast to 13.5% for 15-24-year-olds in the remainder of the province.

- b. Generally, the location of new employment opportunities has corresponded with the main urban centres of the region. People living in the smaller outlying communities have not had equal job possibilities. Between 1961 and 1971, employment growth in the four principal centres of the region amounted to 52.5%, as compared with an actual decline of 8.9% for the remainder of the region. Slow growth or decline in business and industry in the smaller communities has caused people to leave their home towns for the better prospects elsewhere.
- c. The variety of employment opportunities has been rather limited in relation to the scope of vocational training offered and to the level of education--and the general expectations of the population. A review of occupational structures of the region and the province indicates that several occupational categories, notably management and administration, clerical, machine trades, social sciences, agriculture, arts, and recreation are not well represented in the Northeast. The limited choice in the kinds of work available in Northeastern Ontario

compared to the wide range of skills and ambitions of job-seekers has discouraged some people from coming to the region and others from remaining.

2. Job Security

The mainstays of employment in the region--mining and forestry--do not always provide secure jobs. Periodic downturns in the demand for mineral and wood products often lead to production cutbacks and worker layoffs of varying durations. In mining, depletion of ore reserves leads to eventual closures of operations and permanent layoffs. In many of the single-enterprise communities of the region, temporary and permanent layoffs present particular difficulties, because few alternative employment opportunities are readily available. The reduced purchasing power of those out of work hurts businesses in the community.

3. Job Satisfaction

Because the choice of job openings in Northeastern Ontario is somewhat limited, jobs are not always available that fully reflect training, experience, or preferences of each member of the labour force. This is a general problem, but is particularly pronounced in the Northeast. On-job training, upgrading, and promotion possibilities tend to be limited. These factors contribute to making work in businesses and industries of the region less attractive than it might be.

Job satisfaction varies greatly with the working environment, too. In the principal industries of the region--forestry, mining, and primary metals production--working conditions are not always favourable. Some types of work entail separation from the family and living in temporary accommodation. The high average wages and salaries associated with these industries only partly offset such disadvantages.

4. Other Labour Problems

From the perspective of businesses and industries, there are other labour-related problems. Regional employers have experienced difficulties in obtaining and retaining workers in a variety of occupations. Although manpower offices and educational and vocational institutions in the region have made progress in meeting employers' labour requirements, shortages still persist in such categories as miners, woodsmen, skilled tradesmen, and professionals. Some manpower shortages are attributable to relatively high rates of employee turnover. Higher wages and salaries offered in compensation do not appear to be solving the problems. In fact, the generally higher wage level throughout all occupational categories may itself be presenting a problem, as it adds to the operating costs of business and industry in the region. This, in turn, discourages the establishment of new enterprises, expansions of existing ones, or even their continued operation.

C. Costs and Conditions

1. Households

a. Table 2 shows average incomes after personal tax deductions for persons reporting income in 1973. Average after-tax income in the rural areas and small communities of Northeastern Ontario was \$5,226 per person. The comparable figure for the four main urban centres was \$6,009. In turn, this compares to the \$6,530 reported for the remainder of Ontario. The lower average incomes of the region continue in spite of the relatively high wages and salaries paid in some industries.

Table 2 AVERAGE AFTER-TAX INCOME FOR PERSONS REPORTING INCOME IN 1973

Main Urban Centres	
Northeastern Ontario	\$6,009
Sudbury	\$6,185
Sault Ste Marie	\$6,385
North Bay	\$5,604
Timmins	\$5,248
Remainder of Northeastern Ontario	\$5,226
Remainder of Ontario	\$6,530

Source: Revenue Canada, Taxation Statistics

b. Table 3 provides some of the available data on the cost of housing in the region. It indicates, as an example, that the total cost of new single detached dwellings in the main centres of Northeastern Ontario is lower than the average for centres in southern Ontario. This is because land costs are lower in the region, although

construction costs are higher. When the cost of housing is related to the average after-tax income by community, however, the cost of housing is actually higher in Northeastern Ontario.

TABLE 3 ESTIMATED TOTAL COSTS OF SINGLE-DETACHED DWELLINGS FINANCED UNDER THE NATIONAL HOUSING ACT (NHA)

	<u>1971</u> \$	<u>1972</u> \$	<u>1973</u> \$	<u>1974</u> \$
Sudbury	26,580	33,146	38,049	36,017
Sault Ste. Marie	23,757	27,038	28,980	32,936
North Bay	28,467	29,409	34,133	39,373
Timmins	24,156	25,732	29,372	32,453
Average for four Urban Centres in Northeastern Ontario	25,684	28,658	31,032	34,275
Average for 14 Urban Centres in Southern Ontario	28,372	29,132	31,832	40,518

SOURCE: Central Mortgage and Housing Corporation, Canadian Housing Statistics, 1972 and 1974. Averages calculated by Ontario Ministry of Treasury, Economics and Intergovernmental Affairs.

There is a serious shortage of housing in some parts of the region. This has led to overcrowding, increased rents, and use of substandard accommodation in some places.

A variety of federal and provincial government programs exist to help people with moderate and low incomes to afford the housing that they have come to expect. However, these programs are not

meeting all needs. Other approaches are also being employed; for example, some groups are forming cooperative housing ventures. Others are resorting to more easily obtainable and economical forms of housing, such as mobile homes, and others are trying to escape higher property taxes, high building costs, and municipal development restrictions by locating in unorganized areas.

In small communities, because of the unpredictable nature of some mining and forest activities, people are reluctant to commit themselves to home ownership and prefer rental housing.

- c. The cost of food is another major concern of householders. The data presented in Table 4 indicate that food prices in most centres of Northeastern Ontario are above those in southern Ontario. Most people living in the region have to pay food prices that are 5% to 10% higher than those in Metro Toronto. At the extreme, people in Moose Factory face food costs 28% higher than those in Metro Toronto.

Many factors contribute to raise food prices in Northeastern Ontario. The region's agricultural production is relatively small, so most food must be brought in from importing, processing, and distributing centres in southern Ontario. Additional factors may contribute also, especially in more remote and smaller communities where competition is limited and where economies of scale are not achievable.

TABLE 4 COST OF 30 SELECTED FOOD ITEMS AS OF
FEBRUARY 28, 1974

	<u>COST</u> \$
<u>Southern Ontario</u>	
Kitchener	21.51
Toronto - Metro	21.70
Peterborough	21.77
London	21.89
Hamilton	22.06
Windsor	22.36
Ottawa	23.13
<u>Northeastern Ontario</u>	
Kirkland Lake	22.49
North Bay	22.76
Sturgeon Falls	22.88
Timmins	22.88
Sault Ste. Marie	23.66
Sudbury	23.76
New Liskeard	23.82
Espanola	23.88
Cochrane	23.88
Kapuskasing	24.37
Hearst	24.66
Wawa	24.69
Elliott Lake	24.69
Little Current	24.96
Chapleau	25.00
Iroquois Falls	25.26
Blind River	25.31
Moosonee	26.75
Moose Factory	27.58

Source: Ontario Ministry of Consumer and
Commercial Relations, April 1974.

- d. Limited data available on the prices of other consumer goods indicate that prices are usually, but not always, higher in Northeastern Ontario than in southern Ontario. This is confirmed by the variety of policies followed by the major retail stores and catalogue suppliers. Some charge uniform prices across the province and absorb all transportation costs. Others charge somewhat higher prices on some items, bill customers for shipping costs, or allow only partial discounts or none. In addition to facing generally higher costs, many consumers must also travel greater distances to purchase goods or obtain services. As well, the selection of goods and services from which they can choose is usually less varied.
- e. Health care in some respects is not equally available or accessible to residents of Northeastern Ontario. Although the region has its share of most health personnel and facilities, it is short of physicians and dentists. Despite special assistance to, and some recent improvements in, underserviced areas, in 1975 the over-all ratio of physicians and dentists to population continues to be lower than it is in the rest of the province. For many residents living away from the main urban centres, such deficiencies may be serious in emergencies, especially in view of the greater distances to be travelled.

- f. The variety in radio and television, and, consequently, in information, education, and entertainment opportunities, is relatively restricted for many in Northeastern Ontario. Outside the main urban centres, usually only one or two radio and television channels are available. Often these are not local stations, but relays, and thus do not provide local programming and news. The educational programming of the Ontario Educational Communications Authority (OECA) is not yet available to the region.
- g. In addition to those already referred to, a multitude of other social and community services and facilities also figure in the quality of life. Sometimes publicity and thus public awareness of existing services is lacking and keeps people from taking advantage of them. Because of the large geographic areas covered by many service agencies, their front-line workers spend a large part of their time in travelling. Many communities lack the population or financial resources to provide certain facilities or services.

2. Businesses and Industries

- a. Some of the labour-related problems of businesses and industries have been referred to previously. Briefly, these are the persistent shortages of some types of labour, high turnover rates, and relatively high wage and salary levels. These may sometimes add significantly to operating costs and thereby

reduce the competitiveness of enterprises, or they may prevent full capacity operation, expansion, or establishment of enterprises in the region.

b. For the most part, the transportation requirements of businesses and industries in the Northeast are adequately met by the existing infrastructure and levels of service. There are, however, some high-cost elements in the system, particularly in the movement of freight. Many relate to broader provincial and national transportation concerns. Resource industries exporting to the United States by rail are not always able to use the shortest, most direct route to destinations. The railways may, for example, route shipments from the region through Windsor rather than the shorter distance via Sault Ste. Marie. This tends to result in higher transportation costs to the resource industries whose major markets are in the United States.

Transportation users in the region do not have access to a full range of rates and services. "Incentive boxcar rates" for general merchandise, which produce savings for extra weight loaded into cars, are not available for outbound shipments and are available for inbound shipments only to some destinations. The small shippers and merchants in the region, with the exception of those in Sudbury, cannot obtain the "pool car or truck service" available in most areas of the province and nation. With this service, shipments are consolidated into full loads

and shipped to destinations by common carrier, thereby reducing the charge to the individual shipper.

"Express freight rates" for small door-to-door transport service are the highest in Canada. Truckload rates for intra-and interprovincial movements in the Highway 11 corridor north of North Bay are substantially higher than comparable movements in other areas of the country. Through international truck rates to destinations in the United States are not available in the Highway 17 corridor via Sault Ste. Marie. The through international rates offered to shippers are via longer routes through Windsor, rather than Sault Ste. Marie.

- c. Many established and proposed businesses and industries, particularly smaller ones, experience difficulties in obtaining capital for investment in Northeastern Ontario. This is a reflection of the lack of well developed capital sources within the region itself. The region's small population base may account for fewer sources of institutional funds being established here than in more developed regions. Certain institutional sources of funds, such as venture capital companies, have been hesitant to invest in the region because of the administrative difficulties in servicing remote accounts. Chartered banks, although located throughout the region, historically are working capital lenders, and longer-term business lending is only gradually becoming a significant activity with them. They engage in venture or development financing to only a minimal degree.

The lack of well developed financial centres within the region also tends to inhibit the development of more informal or private capital sources. Because there are few financial intermediaries, for example, investment dealers, there is less opportunity to put a potential investor in touch with an entrepreneur or businessman seeking funds.

Given these circumstances, two publicly-sponsored financing bodies, the Northern Ontario Development Corporation (NODC), with offices in Timmins and Sudbury, and the Federal Business Development Bank, (FBDB, formerly the IDB), with offices in Timmins, Sudbury, and Sault Ste. Marie, play an essential role in the financing of business activity in Northeastern Ontario. They are the most important sources of development financing in the region. Investment funds are available to almost every type of industrial and commercial enterprise through the FBDB. NODC funds, however, are generally restricted to enterprises in the manufacturing, tourism, or services-in-support-of-manufacturing sectors.

Another characteristic of the investment capital situation in Northeastern Ontario is represented by the high proportion of owner-operator small enterprises. Some owners are unaware of the potential sources of funds that do exist, or are not aware of the steps required in obtaining funding. The Ontario Ministry of Industry and Tourism and the NODC and FBDB have prepared educational programs to help overcome this problem, but lack of financial sophistication

continues to be an impediment to business and industrial development in the region.

- d. The mining and forest industries are the mainstays of Northeastern Ontario's economy, employing large numbers of workers directly and supporting even larger numbers of workers in other activities serving the industries, their employees, and their employees' families.

The region produces major shares of the province's total value of mineral production and wood and paper production. These products ranked second and third after auto industry production in Ontario's export earnings.

As elsewhere in Ontario and Canada, the mining industry in Northeastern Ontario has benefited from the generally growing world demand for minerals and has brought a large measure of growth to the region. There are some challenges to be met, however, if the industry and the region are to continue to prosper.

The industry is subject to short-run fluctuations in the level of world demand and prices, which have slumped considerably since 1974. It could take time before the world economies recover and demand and prices for minerals revive and rise. Until then, profits may be reduced and some production slowdowns and layoffs may occur.

Changes in government taxation and regulatory policies are another concern of the mining industry at present. In 1974, significant increases in mining profits taxation were introduced. It is claimed by the industry that this has reduced or even removed incentives to further investment. Also, Section 113 of the The Mining Act, designed to require further processing in Ontario, introduces additional uncertainties and risks in the industry's view.

The industry is based on a non-renewal resource. It is essential to keep up exploration efforts to locate new deposits. Fortunately, the region is endowed with considerable mineral potential. This potential remains high in many of the existing mining areas. Major expansions in mining activity, for example, are currently underway in the Timmins and Elliot Lake areas. In some of the other mining areas, discovery of their remaining mineral potential is impeded by a fragmented pattern of mineral rights ownership. Of more general concern, however, is the fact that exploration activity in many parts of the region is relatively slow. Some signs of recovery and renewed activity are evident. Nonetheless, new ore bodies are becoming more difficult to locate, exploration is becoming increasingly expensive, and returns on expenditures less certain. Continuing efforts and improvements in exploration will be necessary to help maintain a healthy mining industry.

- e. The forest industry, like the mining industry, is subject to short-run and recurring fluctuations in demand for its wood and paper products. During the current recession in demand, many operations have cut back production and laid off workers. Reduced profits have curtailed expansion or modernization programs at some operations.

The potential wood resources of the region have not been fully utilized as yet. The annual harvest of timber represents only one third of the annual allowable cut for many species. The availability and cost of wood supplies, however, is a common and growing concern. As the better and more accessible supplies are being used up, companies are having to gain access to more remote areas and transport wood greater distances. Both add to their costs and cut into their competitiveness with other parts of Canada and the world. Changes in utilization patterns, technology, or products may be necessary to make fuller and better use of the generally under-used hardwood species. In the longer term, increased forest protection, regeneration, and management will be necessary to sustain the industry's wood supply.

- f. Aside from the mining and forest industries, there are significant opportunities for improvement and growth in other sectors of the economy. Several areas posses high and largely untapped potential for outdoor recreation and tourism. In agriculture, livestock, feed crops, potatoes, and specialty seed production provide

promising lines for future expansion. Drainage improvements would significantly increase the productivity of land in some areas. As well, a growing local population and market will provide a basis for expanded and more diverse agricultural production. Human resources of the region, particularly the underemployed or unemployed women and young people, represent significant sources of labour for expansion of new and existing industries. It must be remembered, however, that the development of such potentials in most sectors of the economy will be influenced by a variety of other factors. These include technological advances, the availability of capital for investment, the supply and cost of energy, and the growth of world demand. These are for the most part beyond government control.

D. Environment

As elsewhere, people in Northeastern Ontario have become much more environmentally conscious in recent years. This is a result of many things. Newspapers, magazines, and books document many examples of damage to the environment and its adverse effects on our health, our livelihoods, and our enjoyment of the natural environment. Also, as population and industry grow, there is increasing competition for land, water, and other resources. There is a realization that the supply of these essentials is limited.

Damage to the environment from urban and economic development can be controlled. However, control is costly. Municipalities have been assisted by the provincial government to improve sewage treatment facilities. Assistance has also been made available to industries to improve waste treatment. For some plants or mills, such improvements may be particularly expensive at present. However, both people and industry share a concern for protecting and maintaining the region's environmental quality. It is essential that solutions be found.

E. Other General Issues

The long-standing problems of Northeastern Ontario have led to a feeling of neglect among its residents. In some residents' minds the failure to deal with some of the problems represents a lack of attention and resolve on the part of the government. The great physical distance separating the region's residents from Toronto, the centre of much of the provincial government's decision-making, reinforces this impression. As well, many government programs are designed and administered with the majority of the population in mind, and thus are interpreted to reflect needs and conditions of southern Ontario rather than the sometimes different circumstances of Northeastern Ontario. Some of these are differences that the people of the region are anxious to retain: clean and spacious outdoors, community spirit and friendliness, and freedom from urban development pressures.

Within but distinct from the general population, there are some identifiable minorities in Northeastern

Ontario. The largest of these are people of French origin and language. In 1971 they were about one-third of the total population of the region. In some communities such as Hearst, Kapuskasing, and Sturgeon Falls, they constitute a majority. It is important that the cultural and language preferences of French people in education and other vital social services continue to be recognized.

Native people constitute a smaller minority, numbering about 15,000. Their problems are in general more acute than those of other residents. Employment opportunities are lacking; health care, housing and education require improvement; certain aboriginal and treaty rights are unsettled; and protection and strengthening of their cultural identity is sought.

III. TRENDS SCENARIO

This section describes the trends scenario of the Northeastern Ontario Region to the year 2001: that is, an approximation of the probable future state of the region based on a straightforward projection of recent trends and current government programs. This scenario assumes no significant increase in government intervention and expenditure in the region. It further assumes that private enterprise will continue its investment and production decision-making within the context of familiar government programs and policies. The scenario reveals that a continuation of present trends and programs will provide little solution to many of the basic problems facing the region.

A. Population Growth

By the year 2001, the region, with a projected rate of natural increase of 1.1% per year, and a rate of net out-migration of 0.5% per year, would reach a population of approximately 700,000. This would represent an increase of 100,000 (17%) over the estimated 1975 population, or an annual growth rate of 0.6%.

B. Urban Structure

The projected population growth of the various urban centres is presented in Table 5. It should be noted that these projections are based on demographic studies and analysis of the impact of future developments now under consideration. Most growth would occur in the major urban centres, Sudbury, Sault Ste. Marie, North Bay, and Timmins, and their rate of growth would also tend to be steadier.

TABLE 5 PROJECTION OF POPULATION BY DESIGNATED CENTRES
TRENDS SCENARIO

<u>CENTRES</u>	<u>CENSUS</u>	<u>POPULATION</u>	<u>PERCENT</u>
	<u>1971</u>	<u>TRENDS</u>	<u>CHANGE</u>
	<u>NO.</u>	<u>2001</u>	<u>2001/1971</u>

MAJOR URBAN CENTRES^a

Sudbury	168,500	220,000	31
Sault Ste. Marie	85,000	115,000	35
North Bay	58,000	75,000	29
Timmins	43,000	60,000	40

AREA SERVICE CENTRES

Tri Town	13,000	16,000	23
Kirkland Lake	15,000	17,000	13
Kapuskasing	13,000	14,000	8
Parry Sound	6,000	9,000	50
Moosonee	2,000	4,000	100

LOCAL SERVICE CENTRES

Blind River-Elliot Lake	13,000	24,000	85
Sturgeon Falls (& Springer Twp.)	9,500	15,000	58
Iroquois Falls	7,000	n.p. ^b	-
Espanola	6,000	n.p.	-
Cochrane	5,000	n.p.	-
Wawa	5,000	n.p.	-
Hearst	3,500	n.p.	-
Chapleau	3,500	n.p.	-
Little Current	1,500	n.p.	-
<u>Total</u>	<u>457,500</u>	<u>600,000</u>	<u>-</u>
<u>REMAINDER^c</u>	<u>127,500</u>	<u>100,000</u>	<u>-22</u>
<u>TOTAL</u>	<u>585,000</u>	<u>700,000</u>	<u>20</u>

a. Figures include population located within approximately 15 mile radius of the centre.

b. Not projected for individual centres, but included in the total 600,000.

c. The "remainder" includes those people who do not live in the centres listed above. See text.

For most of the smaller centres it has not been possible to make reasonable growth estimates, since these tend to be single-industry communities that are subject to unique individual developments. New resource developments cannot be predicted accurately. It is likely that there would be both rapid growth and significant decline among smaller, one-industry centres.

Since little alteration of present growth trends is apparent, no change in growth emphasis would be expected between the various urban centres. No significant shift is expected in the present pattern of economic and social linkages or interaction among urban centres.

C. Regional Economy

Based on current trends the region's economy would show little change in its basic structure by 2001. As in the past, resource industries would maintain their economic domination in the region, and secondary manufacturing activity would grow slowly.

Further exploitation of the natural resource potential would permit increases in mining, forestry, and tourism development. This increase would be constrained, however, if lagging mineral exploration activity, inadequate forest regeneration practices, and increased international competition in primary products were to continue. Some expansion of mineral and forest products processing might occur, and other manufacturing might also expand somewhat. The service sector would probably grow proportionately more strongly than other sectors of the economy.

The regional economy as a whole would continue to rely on resource industries and external markets, and thus would show continued instability.

It is expected that the labour force participation rate, expressed as a percentage of total population, would increase from its present 35% to 41% over the next 25 years. Employment opportunities would not be sufficient to support the projected rate of natural increase and new entrants to the labour force. As a result, out-migration from the region would continue.

IV. GOALS SCENARIO

This section sets out an alternative to the trends scenario described for Northeastern Ontario to the year 2001. This goals scenario provides a preferable economic and social future for the region. It is considered more desirable from the point of view of the aspirations of its residents. At the same time, it is considered feasible and realistic in terms of the government's ability to encourage and influence development of the region.

A. Population Growth

By the year 2001, the region could reach a population of approximately 860,000. This would represent an increase of 260,000 over the 1975 population of 600,000. This is equal to an increase of 43%, or a growth rate of 1.7% per year. With a projected rate of natural increase of 1.1% annually, the region will require net in-migration to sustain this rate of growth.

B. Urban Structure

The population growth objectives for the various urban centres are presented in Table 6. It should be noted that these figures are based on demographic studies and analysis of the effects of developments expected if the regional strategy is pursued. The largest **urban** centres, Sudbury, Sault Ste. Marie, North Bay, and Timmins, would attract the major share of manufacturing and specialized services, and experience the most growth in absolute terms. In terms of rate of growth, expansion would tend to be steadier in these four centres. For most of the smaller centres it has not been possible to make reasonable growth estimates,

TABLE 6 PROJECTION OF POPULATION BY DESIGNATED CENTRES
GOALS SCENARIO

<u>CENTRES</u>	<u>CENSUS</u> <u>1971</u>	<u>POPULATION</u> <u>GOALS</u> <u>2001</u>	<u>PERCENT</u> <u>CHANGE</u> <u>2001/1971</u>
	<u>NO.</u>	<u>NO.</u>	<u>%</u>
<u>MAJOR URBAN CENTRES</u> ^a			
Sudbury	168,500	250,000	48
Sault Ste. Marie	85,000	140,000	65
North Bay	58,000	110,000	90
Timmins	43,000	67,000	56
<u>AREA SERVICE CENTRES</u>			
Tri Town	13,000	24,000	85
Kirkland Lake	15,000	21,000	40
Kapuskasing	13,000	15,000	15
Parry Sound	6,000	15,000	150
Moosonee	2,000	5,000	150
<u>LOCAL SERVICE CENTRES</u>			
Blind River-Elliot Lake	13,000	24,000	85
Sturgeon Falls (& Springer Twp.)	9,500	19,000	100
Iroquois Falls	7,000	n.p. ^b	-
Espanola	6,000	n.p.	-
Cochrane	5,000	n.p.	-
Wawa	5,000	n.p.	-
Hearst	3,500	n.p.	-
Chapleau	3,500	n.p.	-
Little Current	1,500	n.p.	-
<u>Total</u>	<u>457,500</u>	<u>730,000</u>	<u>-</u>
<u>REMAINDER</u> ^c	<u>127,500</u>	<u>130,000</u>	<u>25</u>
<u>TOTAL</u>	<u>585,000</u>	<u>860,000</u>	<u>48</u>

^aFigures include population located within approximately 15 mile radius of the centre.

^bNot projected for individual centres, but included in the total 730,000. See text.

^cThe "remainder" includes those people who do not live in the centres listed above.

since these tend to be single industry communities that are subject to unique individual developments, but efforts to promote certain industries and services among smaller centres should result in greater and steadier growth than might otherwise occur. Economic and social linkages and interdependencies among centres should increase.

C. Regional Economy

The region's economy could be significantly expanded and diversified. Natural resource potential could be more thoroughly explored and managed to foster a higher level of exploitation. Efforts could be made to substantially expand the processing of mineral and forest products within the region. Expanded tourist facilities could be provided, including four-season facilities. Concurrently, an expansion of other manufacturing would be attempted. Growth in the service sector would reflect the growth in other sectors of the economy. The higher order services, which would appear in response to the demands of the larger population base, would add to the growth of the service sector. Also, greater efforts to decentralize some provincial government functions throughout the regions would further add to the growth of the service sector. The regional economy would achieve greater stability through an expansion of resource processing and diversification into other manufacturing, lessening dependence on the resource industries and their external markets. The greatest proportion of new employment opportunities would be developed in the services sector, followed by general manufacturing, resource-allied manufacturing, and primary resource activities. The labour force participation rate,

expressed as a percentage of total population, would increase from its present 35% to 45%, reflecting the increase in job opportunities, particularly for women.

D. Implications

Achievement of these goals could lead to a significant alteration of the present growth direction of the Northeastern Region over the next 25 years, and moderate many of the basic problems now facing the region.

The expansion and diversification of the regional economy will reduce the economic instability of the region. The moderate additional growth in total population could support higher levels and quality of social and community services. Growth of the largest urban centres would reinforce their role in providing specialized services for their regions. The increased growth among smaller urban centres would better enable them to support certain additional services.

The moderately increased rate of growth is expected to place some additional pressure on the region's infrastructure, environment, and services. However, this pressure will be of manageable proportions.

V. ECONOMIC, SOCIAL, AND SPATIAL STRATEGIES

The purpose of this section is to describe ways in which the full potential of the Northeast might be realized. Three interdependent strategies are proposed to accomplish the broad goals outlined in the previous section. They are the economic, social, and spatial strategies which together constitute the regional strategy for Northeastern Ontario. Each of these components is an essential one. The over-all regional strategy would be seriously deficient and much less effective without any one of them. In the following pages, each of the component strategies is described.

A. The Economic Strategy

The economic strategy, as well as the other strategies, is organized into two related parts. The first part sets out objectives. The second describes means for achieving these objectives. The recommendations for effecting the strategy are *in italics*.

1. Economic Objectives

The specification of objectives is a fundamental step in strategy planning. The objectives reflect the problems and potentials identified previously and indicate the nature, direction, and extent of the strategy. They also serve as baseline statements against which the strategy's effectiveness can be evaluated in the future.

The general intent of the economic strategy is to promote economic development in Northeastern Ontario in a way that ensures that the benefits will accrue primarily to the people of the region, that makes optimum use of the potentials of the region, and that respects the environmental attributes and cultural attitudes of the region. This goal embraces four economic objectives. These are:

- Greater stability of production, employment, and earnings;
- Increased diversity of occupational opportunities;
- Improvement of productivity and earnings;
- Growth of employment opportunities and population.

- a. Greater stability is the primary objective, inasmuch as instability is the most prevalent and pressing economic problem of the region. It directly affects major industries and their employees, and indirectly affects businesses and community life. The specific forms of instability that should be dealt with are: cyclical fluctuations in the forest and mining industries, resource depletion in resource-based communities, and seasonality in tourism. Alleviation of the causes and impacts of such instability ensures more secure earnings for employers and employees.

- b. Increased diversity of occupational opportunities is directed towards providing fuller and more satisfying employment for the variety of human resources in the region, especially women, educated and trained young people, and native people. Increased diversity will also reduce the impact of fluctuations in the unstable economies of some municipalities. It involves providing a greater variety of occupations than those presently offered by existing industries and businesses in the region. It includes overcoming some traditional barriers to employment of women and native people in certain activities. It also is intended to offer alternative opportunities to those dissatisfied with their present employment. Achievement of these aims will help to stem the outflow of people from the region in search of more rewarding employment elsewhere. It will also enhance the region's ability to attract additional people.
- c. Improved productivity and, consequently, improved earnings to both employers and employees is necessary to maintain comparable or better returns on investment and employment in relation to other parts of Canada and the world. Not only is this necessary to maintain the competitiveness of the region's economy, but it is desirable to attract further investment and labour force for its growth.
- d. Growth of employment opportunities in all or any sectors of the region's economy is needed to accommodate the region's young people entering the labour force. It will also attract additional in-migration, which will assist in maintaining and increasing the region's population. Growth of population will enable many goods and services to be provided more economically.

2. Achieving the Objectives

There are basically two steps or levels of approach to achieving the four stated economic objectives:

- Working with the region's existing economic activities;
- Diversifying the economic structure.

As a first step, it is desirable to work with the present economic activities of the region, attempting to reinforce their positive aspects and correct their more negative characteristics. It is evident, however, that this step will only partially meet economic objectives. A second necessary step involves altering or diversifying the basic economic structure of the region.

a. Working With The Region's Existing Economic Activities

To achieve the economic objectives, it is desirable to consider as many improvements as are possible within the existing economic structure of the region. Mining, forestry, and related primary manufacturing, as well as tourism, constitute the mainstays of the region. Together they employ 37% of its labour force. Other secondary manufacturing employs only 3% of the region's labour force. The remaining and major portion of the labour force--60%--is employed in a wide variety of services. The majority of these services have developed in response to the needs of the other activities.

- i. Efforts should be made to find and apply measures to reduce the various forms of cyclical instability that characterize much of the region's mineral and forest products sector, and to help offset the heavy dependence on external markets. Also, in integrated resource industries, greater efforts might be made to avoid layoffs by switching employees to less affected lines of production, if possible. The lack of activities other than the resource industries, both locally and regionally, coupled with the commuting distances of the region, severely constrains the provision of alternative employment for those laid off.
- ii. Fewer constraints and more success may be encountered in avoiding instability related to resource depletion and its consequences on resource-based communities. There is a number of mining communities which have existing infrastructure, but whose existing resource base is rapidly being depleted. *Exploration efforts, particularly in the form of integrated geoscience investigations, should be intensified in declining mining areas.* In many cases high mineral potential may be found in such areas, but fragmented mineral rights ownership may tend to hinder their exploration and exploitation. *Consolidation of mineral rights should be undertaken in areas where this will promote the exploration and exploitation of promising deposits.*

In the forest industries, depletion of wood supplies may endanger the future of some communities and enterprises. A wood allocation system should be evolved to better guarantee a continuing wood supply to the various sizes and types of operations. Where possible the exploitation of non-renewable resources should be done on a commuting basis from more central or stable communities. This would help to reduce the investment losses in community infrastructure, private investment losses in real

estate, and required public expenditure on manpower and community adjustment when the resource base is exhausted.

- iii. The pronounced seasonality of tourism in all probability can be reduced only marginally by efforts to develop year round or winter season activities and attractions. By and large it may be more profitable to try to attract more tourists during the spring and fall seasons and to increase business during the summer season. The concept of year round destination complexes should not be dismissed, however. *The feasibility of encouraging four-season tourist complexes should be investigated further.*
- iv. A number of measures can be attempted to alter those occupational characteristics in existing industries and businesses of the region that make them less attractive than they might be. Measures to improve working conditions and associated living conditions are possible. Heavy or tedious work can be mechanized, at the same time alleviating the persistent manpower shortages or high turnover rates often associated with such work. Commuting to isolated working sites from established communities may be preferable to make-shift on-site accommodations. Where such accommodation is necessary it may be possible to improve its attractiveness. Additionally, the traditional barriers keeping women and native people from employment in some activities might be eliminated. This may be helpful--indeed, perhaps necessary--to meet shortages of labour in some skilled and semi-skilled occupations. Also, more can be done to enhance on-the-job training and promotional possibilities for residents of the region in preference to attracting personnel from outside of the region.

v. The above measures to improve working conditions may be expected to have the effect of increasing productivity of industries and businesses. It is acknowledged that many of the small enterprises in the region are less efficient than they might be because of inadequately trained management. Innovative experiments such as the recent Kirkland Lake management development program should be pursued. Additional programs such as this should be carried out in cooperation and consultation with other agencies active in related activities in order to maximize their effectiveness and minimize duplication. Attention should also be given to improving productivity in both large and small resource enterprises. Support should be given to technological experimentation and innovation in all phases of their operations. *Government should encourage research into alternate technologies that would make economic processing possible in the Northeast.* As well, to assure the most productive use of the region's resource potential, the provincial government should continue to improve its inventory information and allocation of mineral and timber rights. With regard to mineral resources, some improvements have been suggested above. In addition, further measures should be initiated. *All exploration and development information, both government and private, should be placed on open file within five years of its performance, except in special cases.* With regard to forest resources, the province should review its present levels of expenditure on forest protection, regeneration, and management. The provincial government should also increase its efforts to assist private landowners to improve and manage their forest land.

The unused mineral, timber, and recreational resources of the region suggest that there is significant

potential for expanding production, employment, and population. In both the mining and forest industries, this growth may be curtailed by a shortage of suitable labour. In turn and addition, mechanization in such industries will restrain growth in employment. The more promising activities for employment creation and consequent population growth are resource processing and manufacturing. There continues to be expansion in these activities, but, even combined with other existing activities of the region, they are not likely to provide the number of jobs necessary to employ all the youth entering the labour force, or attract additional in-migrants.

In summary, improvement of existing activities within the region and exploitation of their trends and potentials will be only partially effective in meeting the objectives and solving the economic problems of Northeastern Ontario. To effect the objectives more fully, it is essential to encourage changes in the structure of Northeastern Ontario's economy.

b. Diversifying the Economic Structure

Diversification of economic activity in the Northeast will encourage the development of a more stable economy. By encouraging more resource processing, attracting manufacturing and service activities--both those related and those unrelated to the resource base--and expanding agriculture, diversification will make the region less dependent on mining and forestry.

Also, diversification will tend to meet the requirements of the increased variety of occupational opportunities. It would further lead to an improvement of productivity and earnings, inasmuch as higher value-added activities

would be pursued within the region. The growth of employment opportunities and population would also be facilitated, especially as the result of the expansion of the relatively more labour-intensive manufacturing service activities. A policy of diversification in the Northeast should be based on the principles of comparative advantage, import substitution, and complementarity.

- i. As the Northeastern Region is well endowed with mineral and forest resources, the economic strategy should capitalize on the comparative advantage inherent in these resources. This means that every effort must be made to ensure further processing and other value-added resource-based activities in the region.

To increase benefits from the mineral resources of the province, the further treatment and refinement of ores domestically should be required (with limited exceptions) and processing within Northeastern Ontario should be promoted by continued use of financial incentives. Forest resource utilization must also be improved. To make a more economical use of the wood supply, a wood allocation system should be evolved that will provide better utilization of wood fibre in both harvesting and end-products.

- ii. The region also has a potential for tourism development. This has not been fully exploited as yet. New or expanded tourist facilities would help to diversify the economic base. They would also enhance the region as a place to settle and live. To attract increased tourism to the region, *identified areas of tourism opportunity should be*

publicized and receive higher priority than others for development assistance. Also, promotion should be upgraded, with particular emphasis on package tours.

iii. In order to achieve the full benefits of comparative advantage, the economic sectors of the region, particularly those which are resource-based, must become as efficient as possible. For the forestry sector, for example, this implies integration of forest product operations in such a manner as to ensure the use of all wood wastes by pulp or other fibre-using facilities in the region.

In the mining sector, existing technology determines minimum scale requirements for many smelting and other processing facilities that exceed the output of individual mines. Arrangements for joint ownership or custom smelting should be considered if higher levels of further processing are to be achieved in the region. Also, as noted earlier, research into alternate technologies should be pursued.

iv. There is unexploited potential for introducing manufacturing and service facilities into the Northeast to supply goods and services now imported into the region. This potential will expand further as the region's population grows and its internal market size increases.

An increase in the further processing of raw materials in the region could be complemented by the manufacture of products, especially those required for resource extraction and processing.

These products, which tend to be specialized, high technology, high value items, could be manufactured, not only for the regional market, but also for national and even international markets. On a lower, but nevertheless significant, scale there is a need for servicing and repair facilities for the specialized equipment used in resource extraction and processing. Specialized machining shops, tire retreading and repair centres, and others are in demand throughout the region. Since these facilities often require a fairly high initial capitalization, either for equipment or parts inventories, government financing programs to supplement the limited sources of capital in the region should be considered.

Other fields in which local activity could displace items or services currently sought outside the region are food production, construction materials, and retail activity itself, as well as research in support of the region's resource industries.

In addition to these import-substitution opportunities, there are certain to exist opportunities in the manufacturing and service sectors that are currently just the ideas of local entrepreneurs. In many cases these ideas are practical, and, if provided with managerial and financial assistance, can lead to indigenous industry that will further diversify the region's economy. *The mandate of the Northern Ontario Development Corporation (NODC) should be examined with a view to strengthening its role in*

implementing the regional strategy, particularly as it relates to small business. The Northern Ontario Development Corporation should specifically encourage local entrepreneurship, and should consider providing funds to retail trade, wholesale trade, and other service sectors which are not currently eligible under its programs. Additional NODC offices should be established, in Sault Ste. Marie and North Bay. Also, financing provided through the NODC for municipal industrial park development should reflect the economic and spatial strategies outlined in this document.

- v. In recognition of the limited sources of developmental financing in the region, the private sector should be encouraged to organize special investment funds to provide venture and development financing for local businesses in the region. These private sector funds would complement and supplement the services and assistance provided through the NODC and other government agencies. One means of encouraging such funds could be to pursue the concept of Venture Investment Corporations presented in the 1974 Ontario budget speech. To be fully effective, this concept would require that the federal government agree to parallel the tax incentive provided by the Ontario government. Another means of encouraging private venture financing in the region would be to provide low-interest government loans to investment organizations on some matched funding basis, thereby increasing their financial leverage. Any scheme encouraging the creation of such private sector investment companies should ensure that these organizations would have a sufficiently large base of capital to diversify risks and would obtain the

requisite management to supervise such risk investment.

Measures to reduce the costs of transportation in the region should also be investigated. *The provincial government, in cooperation with the federal government, should review trucking and rail freight rates and arrangements affecting the region and Northern Ontario generally.*

It must be acknowledged, however, that despite all attempts to improve the existing economic structure and to diversify and expand that economic base by pursuing areas of competitive advantage, the strategy will not solve all the economic problems facing the region. In simple terms, this may be attributable to the "comparative disadvantages" of the region. Limited local market size, distance to more sizeable markets, and climatic conditions are among the factors that will continue to constrain the development of Northeastern Ontario.

B. The Social Strategy

1. Social Development Goals

The overriding principle of all recommended social policy action in the regional strategy is that of equity in the social well being of Northeastern Ontario: social equity for individuals, groups, and communities within the region, and for the region within Ontario. To the individual, social equity implies the right of equal access to essential services: adequate shelter, personal security, health care, and social services. It also implies the right of equal access to developmental services providing basic choice: education, training and skill development, and communication. To the group, social equity implies the protection and enhancement of rights and identity. In the Northeast, native people, Francophones, senior citizens, and the handicapped are the significant groups in this respect. Finally, to the community and region, social equity implies equality in those social services provided by the province and federal government.

Consistent pursuit of this principle at its different levels continues to be the policy of the province. However, some of the improvements required will require continued responsiveness on the part of all levels of government.

The cost of providing a variety of social services on a scale necessary to achieve social equity for all residents of the Northeast will be extremely high. The vastness of the region and its sparse

settlement pattern may make the single factor of access, for example, to educational and health facilities, a "cost" of living in the Northeast. Also, residents of small, isolated settlements will not be able to have access to hospital treatment in their community or secondary education opportunities that are comparable to the services available to residents of major urban centres.

These examples illustrate some of the realities that must be considered in planning for several services. Coverage will not be uniform, and tradeoffs will have to be made in deciding upon levels of service throughout the region. This does not mean that services and facilities will not continue to be improved in the Northeast in the future; on the contrary, the province, in cooperation with other levels of government, will continue to upgrade its programs and facilities in the Northeast. Nevertheless, the level of social services available to the smaller settlements of the Northeast will not be comparable in all cases to those offered in the major urban centres.

The four major urban centres of Sudbury, Sault Ste. Marie, North Bay, and Timmins have social infrastructure similar to those of other major cities in the province. There are no significant disparities in the provision of services or facilities with regard to health care, educational opportunity, communications, shelter, day care, etc., in these centres.

However, a lower level of social services is found in the smaller communities of the Northeast. Small

tax bases make it difficult to establish and pay for services and facilities which might normally be established without difficulty in larger centres. Distances often make the sharing of professional staff unfeasible, and it is not easy for small communities to recruit qualified staff. Therefore, this report emphasizes somewhat the need for social services in the smaller communities. In doing so, the strategy also emphasizes the service role the large centres must play in providing many of the higher level social facilities (post-secondary education, specialist medical services, broadcasting facilities, etc.) required by the rest of the region.

2. Achieving Social Development Goals

a. Housing

Housing is a major component of the social well-being of the region, and housing policies have a direct effect on other social and economic objectives. A number of major housing policy issues relevant to the Northeastern region follow:

- i. The delivery and administration of housing policy and programs is very complex, involving a number of agencies from all three levels of government, interacting with the desires and perceptions of client groups and individuals. There is a need for improved coordination between federal, provincial, and municipal agencies in delivering housing services. There is also a need for client participation in the delivery and management of existing housing programs

and in the development of new policies that are sensitive and applicable to the region, community, or special client group.

The establishment of regional or community-based housing management groups, representing participating senior and local government agencies and the community and client groups, should be considered in administering the delivery of housing programs in the region.

- ii. Senior governments, by providing financial and technical assistance, could increase sponsorship of organized local initiatives in housing. An increased emphasis on cooperative, non-profit, voluntary, or self-help housing would assist in developing community leadership, initiative, and spirit, and generate local trades employment opportunities. A housing skills program developed in conjunction with educational programming should accompany such initiative. This policy would be most applicable to smaller centres in the Northeast, where local development of trades and contracting skills are scarce. In the region's cities, community groups could be the focus of such sponsored initiative.

Further local community initiatives in housing should be encouraged, with particular emphasis on assistance to individual and community groups--namely, cooperative, non-profit, voluntary, or self-help housing groups. This should be accompanied by a trades skill development program.

iii. Most of the future growth of the region will take place in the region's four cities. High demand for housing must be expected in the areas surrounding these cities and will require comprehensive regulatory planning to ensure economical shelter in a liveable environment.

The provincial government should initiate joint provincial-municipal subregional planning in the areas surrounding the region's four major centres and in other areas where necessary.

The province should initiate the development of policy guidelines for housing investment in small, unorganized, and declining settlements in the region.

iv. In communities based on the exploitation of resources that are being depleted there is often a reluctance on the part of developers, employees, and employers to invest in housing and related community services. In these situations it may not be clear what types and amounts of housing and related service assistance the province should be investing in.

The province should initiate the development of policy guidelines for public and private investment in resource housing in single-industry communities.

b. Health

Health policy initiatives for the Northeast focus on the sharing of responsibility for health between the local and the provincial level. Initiatives

proposed for the health sector focus on the delivery, staffing, and efficiency of the services already provided. Programs improving accessibility of health care, preventive services, and further community-based treatment must be considered in terms of their high cost.

- i. An understanding of local conditions is basic to the development of adequate health services. To aid in the appreciation of local needs, District Health Councils, made up of local people, are being established throughout the region. They are intended to assist in planning for the provision and use of all health services--in and out of institutions--on a district-wide basis. They are to identify local needs and resources, evaluate alternatives, establish priorities, and plan for a comprehensive system of health services.

District Health Councils in Northeastern Ontario and the province should develop plans for a comprehensive system of health services for the region. The services should be specifically designed to respond to the particular needs of the region, taking into account factors such as population age structure, population density and distribution, and illness patterns. The system should be designed to encompass the spectrum of services for the ambulatory and the bed patient and include services for the promotion of good health, the prevention of disease and disability, and treatment and rehabilitation.

- ii. Such a system would contain a balance among the various types of services, so that actual needs could be met in the most appropriate and economical manner. This would include increasing emphasis on alternatives to institutional care, e.g., care in the community in the ambulatory setting, home care, and increasing emphasis on promotion and prevention services. It would also mean emphasis on the appropriate distribution of services throughout the region, so that the best use could be made of the physical, financial, and manpower resources which are available.

In order for this system to work effectively, it would be necessary for primary and secondary services to be better coordinated, so that family physicians and other primary practitioners in remote areas and small communities would be linked with specialists in larger centres. This would enable the provision of comprehensive and continuing care for each patient in his home community or in a larger centre if referral is appropriate.

Plans for the health services system for North-eastern Ontario should define the types and levels of services to be provided at the local service centres, the area service centres, and the subregional centres in the region, so that the most appropriate use can be made of the resources available.

District Health Councils and the province should develop arrangements for the coordination of

primary and secondary care services throughout the region. Through provincial initiatives, primary care should be strengthened to provide a focus for care in small and remote communities throughout the region, and effective linkages should be established between outlying areas and urban centres to ensure continuing and comprehensive care for the individual patient.

iii. Among the resources to be used judiciously is manpower, since shortages of some types of manpower exist in some areas of the region. A clearer definition of the types of services to be provided in the various centres will enable health practitioners to locate where the best use can be made of their skills, and where the back-up services they provide to the primary care sector can be used to greatest advantage.

Health practitioners of the various types should be encouraged to locate where they will complement and support the pattern of distribution of services. The provincial government, District Health Councils, and professional organizations should develop initiatives to encourage those health practitioners who are in short supply to locate in the region.

iv. The health of native peoples living in north-eastern Ontario requires special attention. Social, housing, economic, educational, and health problems are all interrelated, and improvement in health depends on improvements in those other areas as well. The situation is made more cumbersome because of the

involvement of both the federal and provincial governments.

A broad and comprehensive program should be developed to deal with the wide range of social, economic, educational, and health needs of native peoples. The federal and provincial governments, as well as the native peoples, should be involved, and among the issues considered should be the question of the jurisdiction of each level of government in the health of the native peoples.

c. Education

A comprehensive approach to education in Northeastern Ontario addresses both the continuing process of individual and community development and the unique needs of groups, communities, and the region. Such responsiveness relies on decentralized administration, community-based delivery, opportunities for participation, and a strong commitment to formalized continuing education.

i. Education throughout the region needs a strong participatory planning base at the community level. Local education committees, with representatives from the community, staff, students, and the local and provincial governments, should be involved in developing and maintaining a close relationship between school and community, including the use of physical, staff, and student resources, for the benefit of the community. Schools continue to be a major focus of community structure and life.

The provincial government should continue the development of community-based education through broad community representation and through retention of existing schools.

- ii. Education has been one of the most effective ways in stimulating development in all parts of the province. It is considered very important to continue educational programs that take account of the unique characteristics of the Northeast.

The province should continue to develop educational programs in response to the unique instructional needs found throughout the region.

- iii. All levels of the formal education system have as a major social goal the development of individual, group, and community knowledge and skills applicable to Northeastern Ontario--aspects of resource development, small-community life, environmental management, and minority group rights and identity, for example. It is important that secondary and post-secondary levels of education should continue to emphasize community and extension programs.

The province should continue to promote, at all educational levels, the development of knowledge and career skills applicable to the Northeast.

- iv. Continuing education through educational extension programming open to a large section of the population should continue to be emphasized. Programs should be linked to each

other as well as to the government resources and programs in fields such as public health, business development, and housing skills. Local participation would assist in identifying needs and finding staff and could orient curricula towards knowledge of social and economic opportunities in the Northeast.

The provincial government, in conjunction with post-secondary institutions in the region, should continue to develop educational extension programming.

C. The Spatial Strategy

The third and final component of the regional strategy is the spatial strategy. Whereas the other components of the strategy deal generally with what economic developments and social improvements are necessary, the spatial strategy describes where development should be directed.

The spatial strategy is composed of two distinct but related sub-strategies: an urban system strategy and a resource base strategy. The former guides development and improvement among the various urban centres of the region. The latter provides for the development and management of the natural resource base of the region.

1. The Urban System Strategy

Most of the economic and social activity of the region is concentrated in its various urban centres, which constitute the urban system. The majority of people in the region work and live there. Others who live in rural areas often commute to jobs in, and obtain goods and services from, urban centres.

a. Objectives

In addition to the various objectives of the economic and social strategies, the urban system strategy is based on the following objectives:

- More efficient use of existing infrastructure and services;

- More equitable and even distribution of economic and social opportunities;
- Rational location of additional development.

i. More efficient use of existing infrastructure and services: serviced land, transportation services and facilities, recreational facilities, commercial activities, community organization, etc. These are to varying degrees important ingredients or prerequisites for the growth of industries and businesses.

Efficient use of these, especially those provided at public expense, is essential. This means guiding growth toward urban centres in which:

- The required infrastructure and services already exist;
- There may be sufficient excess capacity to absorb the growth; or
- The required infrastructure and services can be expanded at the least additional cost.

The region's urban centres differ widely in these regards. Generally, but not always, the larger urban centres have a greater variety of infrastructure and services and, in some cases, excess capacity or greater ability to expand infrastructure and services. Thus this primary objective of efficient use would tend to guide much of the initial growth to the larger urban centres. At first this will reinforce their

advantages and may make opportunities in smaller urban centres relatively less attractive. The larger urban centres may even attract some of the present population and activities from some of the smallest communities. Consequently, pursuit of this first objective of efficiency must be tempered throughout, or at least in the longer term, by the second objective.

- ii. More equitable and even distribution of economic and social opportunities. The secondary objective aims at a more equitable and even distribution of economic and social opportunities among the various sizes of communities. Since such opportunities are usually fewer in smaller centres, this objective means more attention must be given to the development and improvement of these communities.
- iii. Rational location of additional development. This objective overlaps the other two. It stresses the need for private industry and business, in cooperation with government, to consider costs and benefits when choosing a location for additional development. Such consideration is necessary to ensure a viable and profitable enterprise and to avoid environmental damage and detriment to neighbouring activities. It also avoids excessive public expense in providing infrastructure and services.

Unproductive competition among the major urban centres and needless duplication of services sustained at public expense should be minimized. Greater cooperation and coordination among the municipalities will maximize the benefits from new economic and social developments.

b. Achieving the Objectives

A number of key means are proposed to assist in achieving the foregoing objectives.

New urban development should be concentrated as much as possible within organized municipalities and should be consistent with environmental constraints.

Municipalities have the authority, responsibility, and means to provide essential and desirable local services such as fire protection, water and sewage, land use controls, etc. In addition, they provide through their councils a forum for discussion of local concerns and a means for representing these to other levels of government when necessary.

The concentration of industrial, commercial, and residential development within the boundaries of municipalities provides assessment revenue necessary to help support the facilities and services needed by these developments. It also allows for local land use control of these developments.

Some exceptions must be made for such resource extractive and initial processing activities as mining and logging, which must take place where the resource is found. Further stages of processing, however, should locate within municipalities. In developments of long duration, such as mining and some logging operations, additional workers and their families should be housed in already established organized municipalities, particularly those able to provide the necessary support services.

Where new resource developments are too remote from existing centres and commuting arrangements are unfeasible, the establishment of a new community may be warranted, depending upon the expected duration of the activity. In the case of a new, remote mining operation with a short life expectancy, provision should be made for temporary accommodation and services for the employees and their families. Such an approach will help to alleviate the major problems and costs associated with the eventual closure of the community's main economic support. For a long term remote development, with substantial economic potential, the feasibility of a permanent townsite should be explored.

ii. Government attention and assistance to the economic growth of urban centres should be selective and based on priorities.

The region's urban centres have been analyzed to determine their potential for additional economic and social opportunity. Such factors as: existing infrastructure and services, labour supply and commuting patterns, population and consumer travel patterns, and location relative to other urban centres have been considered in dividing them into categories.

Map 2, Population and Function of Urban Centres, shows the larger population concentrations of the region. The population figures shown are those for the centre and its immediate (15 mile radius) vicinity. In the Northeast these centres have been separated into three categories based on the above characteristics: subregional, area, and local. (At

MAP 2

POPULATION AND FUNCTION OF URBAN CENTRES

KENORA — PATRICIA PORTION

C O C H R A N E

Moose Lake

Hearst

Kapuskasing

Cochrane

Iroquois Falls

Timmins

Kirkland Lake

Tri-Town

Chapleau

Wawa

Sault Ste Marie

Blind River

Elliot Lake

Espanola

Sudbury

Sudbury R.M.

Sturgeon Falls

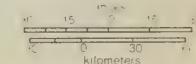
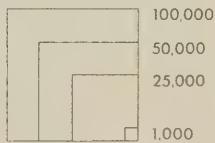
North Bay

Parry Sound

Little Current

Manitoulin

1971 POPULATION
(URBAN CENTRE AND VICINITY)



the present time, no community has the role of a regional centre. It is not foreseen that a true regional centre will emerge in the near future, although Sudbury may in the long run assume this role.)

It should be emphasized that this map depicts the present urban system, which will change as the economy expands and responds to the strategy and some centres take on functions over and above their existing role.

Initially, priority in terms of providing additional economic development should go to the four subregional centres, namely:

*North Bay
Sault Ste. Marie
Sudbury
Timmins.*

Growth can be attracted to these centres most easily, with the highest return on expenditures and the greatest benefit to the region as a whole.

These centres are also best able to provide a share of the necessary expenditures. Development efforts and successes in these centres will help the entire region and transmit benefits to other smaller centres in the region.

The provision of additional economic development assistance to the region's area service centres would be of a somewhat lower priority. However,

this does not imply that assistance normally provided to these municipalities under general programs will be affected. The area service centres are:

*Kapuskasing
Kirkland Lake
Moosonee
Parry Sound
Tri-Town (Cobalt, Haileybury, New Liskeard).*

The above communities exhibit some diversity of economic base and fulfil an important service role for their surrounding areas. Moosonee has been included in this category because of its significant service function in the Hudson Bay Lowlands.

Third priority for economic development should be given to local service centres. Again, this does not imply that assistance normally provided to these municipalities under general programs will be affected. The ten centres identified in this category are:

<i>Elliot Lake</i>	<i>Espanola</i>
<i>Blind River</i>	<i>Chapleau</i>
<i>Wawa</i>	<i>Little Current</i>
<i>Hearst</i>	<i>Sturgeon Falls</i>
<i>Cochrane</i>	<i>Iroquois Falls.</i>

Activity in the secondary and tertiary sectors, such as manufacturing or trade, has a specific or point location, but activities in the primary sector, or tourism, which focus on the quality of the natural resource base, are more likely

to be widespread. It is the local service centres that service this type of economic activity.

Initially, the local service centres are likely to remain single-industry towns based on natural resource exploitation or use, but over time they are expected to expand their role of servicing and supporting a slightly broader range of economic activities. Therefore, these centres must be adequately supported so that they are able to handle this expanding role as the region develops. In some cases this may mean that service infrastructure must be strengthened for a narrow range of economic activities, and, in others, for a slightly broader range.

Economic stimulation of these local service centres will be largely dependent upon an expansion of the primary sector and an increased role in the direct provision of social and public services.

This system of priorities, admittedly, will be difficult to administer in the face of competing demands from different communities. Exceptions will have to be made to accommodate definite and immediate developments and needs.

Other communities have not been designated, because their potential for sustained growth has not been identified. This lack of designation does not represent an irreversible decision for the future; it is made in recognition of existing trends, which may be changed by future events.

- iii. In general, the same general order of priorities -- subregional service centres followed by area service centres and finally local service centres -- should be used to structure the provision of provincial government services in the region. In recognition of the fact that social needs are often greater in the smaller centres, however, many exceptions to this approach may be required. Because of greater distances, it may be necessary to provide higher per capita levels of service in terms of personnel and facilities than in southern Ontario.*
- iv. Municipalities should assume greater initiative and responsibility for their own growth. In this regard, the province should attempt to ensure that adequate municipal organizations exist with sufficient financial resources. The onus should be on the municipalities, however, to ensure that adequate land for development is available, that servicing is provided, and that housing is constructed. For its part, the province must continue to review the fairness of the existing municipal grant structure and assist municipalities with the preparation and updating of official plans and housing policy statements.*

2. The Resource Base Strategy

Northeastern Ontario's natural resource base--its geology, forests, fish and wildlife, water and landscape --underlies its vital economic activities and enhances the enjoyment and recreation of its residents. To

ensure a continuing supply of resources for industry and opportunities for recreation and tourism, careful management of this resource base is essential.

a. Objectives

As well as objectives previously state in the various other strategies, the resource base strategy is formulated on the following objectives in order of priority:

- Optimal use of mineral, forest, recreation, agricultural, water, fish and wildlife resources;
- Maintenance and enhancement of environmental quality.

i. Optimal use of resource. Optimal use is directed towards identification and use of untapped resource potentials. This does not mean maximum rate or quantity of exploitation for particular products. Resources have many competing uses and the need for resource products must be balanced against the multiple use qualities of the resource. For example, forest may provide timber as well as a recreational environment. An uncommon or impressive stand of trees may be more valuable for recreation than for timber. In addition, the activity of exploiting a resource may conflict with others in the vicinity. For example, a mining operation may destroy a wilderness recreation experience in a remote area.

ii. Maintenance and enhancement of environmental quality. This means preventive and remedial measures to safeguard the quality of valued environmental attributes. If this objective is pursued in an

uncompromising way, it may conflict with those objectives that strive for increased development activity. Measures to control pollution or restore the natural environment upon completion of an activity can reduce such a conflict. In some instances, however, such measures may not be possible or sufficient to prevent environmental damage. Therefore, if the need for development has been demonstrated, then a balance must be struck between the environment and the development. At the same time, counter-balance development standards must be adhered to in order to conserve important natural or cultural features of the region.

b. Achieving the Objectives

Various guidelines are proposed to facilitate achievement of the foregoing objectives.

- i. *Comprehensive water and land use planning in the region should continue to be pursued by the provincial government in cooperation with the municipalities concerned.* Such planning is a prerequisite to optimizing use of the region's various natural resources. It must be comprehensive in the sense of covering all public as well as private lands and in the sense of taking into account all actual and anticipated uses of the region's water and land resources. The plan must be based on sound resource data and full and fair participation of people of the region. It must also have authority to make necessary trade-offs and implement and enforce these decisions. The need for such planning is most evident in those areas of high overlapping potentials. Map 3,

Generalized Resource Potentials, shows the distribution of mineral, timber, recreational, and agricultural resource potentials throughout the region. For the most part these are highest in the southern half of the region and overlap to a considerable extent. Multiple and/or sequential use techniques will be essential in such areas of high overlapping potential. Only in a few areas with a particularly outstanding potential, or with little overlap, will exclusive single use be possible. In the northern part of the region, particularly the Hudson Bay Lowlands, planning must recognize the relationship of its native inhabitants to the resource base and its unique and sensitive ecosystem.

- ii. Efforts to prevent and remedy environmental pollution and degradation should be continued and intensified. This must be done first and foremost with a view to safeguarding the health and livelihoods of the region's present and future generations. Environmental impact assessments of public, as well as major private, developments should be pursued. These should be assessed against uniform minimum environmental standards. In cases of existing enterprises, identical standards should be applied. Financial assistance or time concessions may be justifiable in those cases when an enterprise's financial situation does not permit it to undertake the necessary pollution control improvements.*

MAP 3 GENERALIZED RESOURCE POTENTIALS



VI. IMPLEMENTATION

The value of the regional strategy cannot be realized until it is translated into programs and projects which help to achieve the objectives of the strategy. It is expected that, when this regional strategy is adopted as government policy, it will provide the framework within which the public and private sectors can plan their activities in the Northeastern Ontario Planning Region.

Implementation of the strategy will require broader government action in several areas, in addition to the ongoing regional initiatives, namely: continuing coordination of provincial government activities, expanded budgeting for regional priorities, and greater coordination with the private sector, and local and federal governments.

Some of the recommendations put forward in the strategy are currently in the planning and implementation stages by various ministries and agencies of the government. The strategy provides further guidance and support for these activities.

In many instances, however, the recommended actions transcend the jurisdictional boundaries of individual ministries and policy fields. By continued coordination among ministries, the aims of the strategy can be more effectively achieved.

Implementation of this strategy will probably require some reorientation of government spending within the region. This can be accomplished by ministries' directing a greater share of their future expenditures to the identified regional priorities; in planning and budgeting future spending, however,

it is recognized that provincial-scale priorities must remain the primary focus for the government ministries.

As noted above, the government, through its ministries and agencies, is presently addressing some of the recommendations described in the strategy, in addition to its continuing programs. It is not possible to list here all of the regional initiatives, programs, and expenditures. An example of one type of regional initiative is described below. It serves to illustrate how greater interministerial coordination and regional budgeting can achieve the aims of the strategy.

In the fall of 1972, Cabinet authorized the preparation of a "Regional Priority Budget" as a tool for priority implementation of regional economic and social development recommendations. It was recognized that operating ministries were already carrying out programs of considerable regional significance, but some initiatives, particularly those with multi-ministry implications, lacked a mechanism for planning and coordination. Thus, the first Regional Priority Budget began in a modest way in the 1973-74 fiscal year. Listed below are the projects currently (1976-1979) proposed under this budget.

1. Sudbury Regional Industrial Site

The components of this project include construction of sewer and water systems, storm drainage, and road facilities in the Highway 17 West (Walden) Industrial Park. The park will provide sites for those industries prepared to locate in the Sudbury area. In addition, it will provide sufficient additional serviced land to accommodate the anticipated development of light industry over the next five years.

2. Timmins Infrastructure Assistance

As a result of major expansion of mining facilities in Timmins, a substantial population increase (6,000 to 8,000 people) is projected. To accommodate this growth, infrastructure assistance, including sewer and water systems expansion, by-pass roads, etc., is proposed.

3. Parry Sound Area Industrial Expansion

The project includes construction of the water and sewerage facilities required for the Woods Road Industrial Park in Carling Township. The proposed development is aimed at increasing employment opportunities in the area, increasing the community's involvement in sponsoring economic activity, and assisting the community to realize its potential and broaden its tax base through the establishment of new processing, manufacturing, and service industries.

4. Elliot Lake and North Shore Development

In order to facilitate the expected expansion of uranium mining near Elliot Lake and contribute to the longer term economic stability of the North Shore area, various initiatives are expected to be recommended by an interministerial task force which is currently reviewing the situation.

5. Matachewan Development

This project involves the construction of a water supply system for the expanded housing needs of Matachewan as a result of a major new asbestos mining operation near the community.

The annual cost of these new initiatives is projected as follows:

<u>New Initiatives</u>	<u>1976-77</u>	<u>1977-78</u>	<u>1978-79</u>
Sudbury Regional Industrial Park	1,630,000	1,020,000	-
Timmins Infrastructure Assistance	2,000,000	7,500,000	6,200,000
Parry Sound Area Industrial Expansion	647,895	1,863,000	-
Elliot Lake and North Shore Development	1,000,000	2,500,000	2,500,000
Matachewan Development	<u>468,000</u>	<u>850,000</u>	<u>-</u>
<u>Totals</u>	<u>5,745,895</u>	<u>13,733,000</u>	<u>8,700,000</u>
<u>Grand Total</u>	\$28,178,895		

At the same time the Regional Priority Budget was adopted, the Federal Department of Regional Economic Expansion reorganized its programs and introduced a new approach to providing regional development assistance to the provinces, known as the general development agreement. The Ontario-Canada General Development Agreement (GDA) was concluded in February 1974. The types of initiatives developed under the Regional Priority Budget were seen as candidates for joint funding with the federal government under subsidiary agreements to the GDA.

In support of Northeastern Ontario economic development, the provincial government has almost concluded negotiations on some projects with the federal government for the Canada-Ontario Subsidiary Agreement, Northeastern Ontario. The objectives of this agreement could be described generally as:

- (a) To provide for joint participation of the federal and provincial governments in projects directed towards reinforcing their development policies, and

- (b) To provide the means through which needed financial assistance can be made available for approved projects aimed at alleviating identified constraints to the economic and social development of key population centres in Northeastern Ontario.

Negotiations for joint funding of the projects in Sudbury and Parry Sound outlined above are nearing completion. Discussions are continuing for the inclusion of the remaining projects under the subsidiary agreement.

The above example illustrates the importance of continuing and strengthening the coordination between the provincial government and the local and federal administrations. In addition, private sector cooperation should be sought in order to obtain its input, approval, and support, to provide for the proper planning of the region's economy.

As implementation occurs, changes will take place in the region's social and economic environment. These changes will necessitate continuous evaluation to assess the accomplishments and any inadequacies of the strategy. This will help to ensure that the regional strategy and its implementation will evolve and adapt to changing conditions in the region.

VII. CONCLUDING STATEMENT

Throughout the formulation of this proposed regional strategy, a serious effort has been made to satisfy the goals of both the residents of Northeastern Ontario and the provincial government. The proposals strive to fulfil the economic potential of the region; to provide opportunities for people to improve their quality of life; and to achieve a more equitable distribution of population and economic activities throughout the province. Further, the proposals seek to reduce the problems which continue to hinder the social and economic growth of the region.

To implement the strategy effectively, and to ensure that such implementation is orderly and in the best interests of the region, agreement and cooperation on the strategy's intent and content are essential. To achieve this, the comments, criticisms, and suggestions from the people, industries, institutions and municipal governments within the region, as well as from the provincial and federal governments, will be sought and incorporated into the final policy document.

Finally, the strategy cannot be viewed in isolation from the remainder of the province, nor as a static statement. Economic conditions and opportunities change. Social attitudes and values change. New problems evolve and new solutions are required. The strategy presented in this document and the economic and social conditions of the northeast must be reviewed and revised regularly so that the province's planning strategy will continue to respond adequately to the region's changing needs.

